This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 001960

SIPDIS

E.O. 12958: DECL: 05/05/2014 TAGS: <u>PREL TU CY EUN USEU BRUSSELS</u>

SUBJECT: EU: CYPRUS ACCESSION AND COMMISSION RESPONSE

Classified By: USEU POLOFF ANDREW ERICKSON, FOR REASONS 1.4 (B) AND (D)

Summary

11. (C) Enlargement Commissioner Verheugen's Cabinet member for Cyprus, Kristin Schreiber, told us May 5 that the Commission is readying proposals for improving northern Cypriot commercial access to the EU. The Commission proposals will likely be presented to the Council in late June, for adoption by qualified majority voting rules. Among the measures envisaged is the possibility for direct exports from northern Cyprus ports of goods from northern Cyprus. The Commission is also watching carefully the circulation of people across the Green Line, and understands that EU citizens are being allowed to cross. Schreiber expressed reservations about the EU's influence on direct air travel to the north, noting that this would have to be negotiated bilaterally with individual governments, through the government of Cyprus. Nonetheless, the Commission was willing to consider being helpful if it could. Working level Turkish views in Brussels on EU efforts to date vary widely. End summary.

Commission at work on improving ties

- 12. (C) Kristin Schreiber, Enlargement Commissioner Verheugen's member of cabinet responsible for Cyprus, updated us May 5 on where things stand in the Commission's post April 24 efforts to address the Turkish Cypriots' clearly expressed will to join the European Union as part of a united Cyprus. Schreiber prefaced her comments by underscoring that all EU moves are constrained: the EU could not take steps seen as recognizing the "TRNC" in any way. The EU was focused on economic relief for the Turkish Cypriots, not political relief for the "TRNC".
- 13. (C) Within this context, there was quite a bit that the EU could do, said Schreiber. Over the next month, the Commission was working on developing trade implementing measures for the areas of Cyprus not currently covered by the acquis communitaire. These measures would be presented to the Council in June (probably "late June" said Schreiber) for final approval.

Specific Measures

14. (C) Specific measures under consideration are focused on facilitating northern Cyprus' trade with EU member countries. The first step in that process would be the development of an identification and phyto-sanitary regime that would address EU concerns without recognizing "TRNC" sovereignty while minimizing Greek Cypriot interference with trade. The Commission was exploring the direct use of northern Cypriot ports for export to EU markets; this looked feasible. The Commission was "confident" that it would be able to set up an office in northern Cyprus to disburse the 259 million euro assistance package already agreed. This office would clearly be an economic assistance office and nothing more. Schreiber expressed optimism that the Commission would be able to open such an office, on a non-political basis, without further clearance from the Council. On the free movement of persons across the Green Line, Schreiber said that she understood that the Greek Cypriots were posing no problems for EU nationals who crossed the Green Line. This was a welcome development, she indicated.

Air Travel Not in EU purview

15. (C) On the possibility of direct air travel from EU member states to northern Cyprus, Schreiber noted that this issue was not currently in the Commission's purview. She said her understanding is that landing rights are negotiated on a bilateral basis. One issue the Commission would watch closely was Cyprus' treatment of EU nationals seeking to overnight in northern Cyprus after crossing the Green Line. Another was whether Cyprus would allow EU citizens to enter

Cyprus from northern Cyprus if they had not initially transited the Green Line to enter the north.

Turkish Mission:
"a good result"

- 16. (C) In separate discussions with two Turkish mission officials, we heard two interpretations of EU actions since the April 24 referenda. One colleague, a Turkish pol-mil officer, noted that the consensus in the mission was that the failure of the referendum in the north was a "great result" for Turkish EU aspirations. "Our people showed that they were willing to do everything they needed to do" said this diplomat. "This puts the EU in a position where it absolutely needs to do the right thing in December."
- 17. (C) Another Turkish diplomat (who while serving as a Turkish diplomat nonetheless told us that she is from Cyprus) expressed considerable frustration with EU steps so far. According to her analysis, the people of northern Cyprus made a real gesture of reconciliation with their overwhelming "yes" vote to the Annan Plan; it was up to the EU to develop concrete measures to address the disappointment felt in the north as a result of the failure of the Annan Plan in the south. This interlocutor made it clear that she felt that up to now, the Commission's gestures and statements of intent have been inadequate. She was unable to tell us, however, what additional steps the EU could take given the reality of Cypriot EU membership since May 1.

FOSTER